

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

Recent Soviet moves involving the US and British Military Liaison Missions in East Germany may reflect a desire to terminate the missions altogether, in line with the Soviet contention that they are anachronisms left over from the period of the military occupation of Germany. The Soviets have rescinded their order placing the chief of the US Military Liaison Mission (USMLM) in Potsdam under virtual house arrest and are again allowing USMLM personnel free travel to and from West Berlin. The official East German news agency, however, announced earlier that USMLM personnel will not be allowed to travel in East Germany without the express approval of the Soviet authorities. Soviet Marshal Konev has rejected Allied protests over the treatment of mission personnel by the East German police, and may attempt to impose even sharper restrictions on mission activities. The Soviets apparently hope to force the US to withdraw its missions. Alternatively, the USSR could propose to the three Western powers the termination of all four missions and unilaterally withdraw the Soviet mission from Frankfurt.

In a further effort to test Western reaction to their new customs law prior to its full implementation--reportedly on 30 April--the East Germans have apparently decided to introduce new crossing procedures on the East - West Berlin sector borders. On 2 April, long-term entry passes held by numerous individuals engaged in interzonal trade and by West Berliners working in East Berlin were taken up, and the holders were advised to secure new passes.

Disarmament and Test Ban

Since the departure of the foreign ministers from

Geneva, the nuclear test ban issue has continued to predominate, and the general disarmament discussions have been marked by procedural wranglings. During the Big Three subcommittee discussions of the test ban issue, Soviet delegates have continued to reiterate the standard argument that a test ban agreement is possible only the basis of the 28 November Soviet draft proposal, which amounts to a self-policed test ban.

On 3 April Moscow issued another formal pronouncement warning that if Western nuclear testing continues, the USSR "will be compelled to hold tests of new types of nuclear weapons" to strengthen its security and safeguard universal peace. This latest warning--contained in a government note to the UN disarmament commission--added that the holding of US atmospheric tests will inevitably give a "new impetus" to the perfection of mass destruction weapons.

In a further attempt to justify an eventual Soviet test resumption, the Soviet press has distorted recent statements by President Kennedy--commenting on possible US use of nuclear weapons in a hypothetical situation in which Soviet conventional forces would be overrunning Western Europe--to imply that the President had advocated preventative war. Pravda went beyond Moscow's usual line--which consistently denounces the Pentagon and US "militarists," but generally stops short of implicating the President personally--and remarked that "it seems that the President is himself taking the position of the most belligerent part of the Pentagon brass."

The criticism was diluted somewhat by the interjection of bitter side attacks on US "monopolist" and "militarist" circles. The Soviets were also careful not to imply that the President himself no longer advocated peaceful settlement of outstanding East-West issues, such as Berlin and Germany.

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FRICTION IN THE CUBAN LEADERSHIP

Fidel Castro's 26 March speech, a strong attack on veteran Communist leader Anibal Escalante, marked a significant point in a struggle for power that has been growing in intensity for some months within the Cuban leadership. Escalante's removal from a leading position in the party organization was a victory--although perhaps only a temporary one--for Castro and his followers over a group of veteran Communists. The basic issues of the struggle have not been fully revealed, but the implications in Castro's speeches since early March strongly suggest that he was resisting the efforts by veteran Communists to erode his authority and to rule Cuba behind his image under the rubric of "collective leadership."

Castro's pointed reference to the "new" as opposed to the "old" Marxist-Leninists--which replaced references in earlier speeches to a "we-they" dichotomy--suggests that the struggle was essentially between the Castro followers and veteran Communists. It is possible, nevertheless, that the veteran Communists were not themselves united and that a faction represented by Escalante may have been pushing for a more rapid takeover than was considered desirable or realistic by a dominant faction of his old colleagues. Castro pointedly used statements of veteran Communist Carlos Rafael Rodriguez to support his charges against Escalante in the 26 March speech and in a speech earlier in the month warmly praised Rodriguez, newly appointed president of the Agrarian Reform Institute and the old-line Communist most intimately associated with Castro personally since 1958. Escalante's personal relationship with his long-time colleagues in the Communist party has not always been free of friction. It is uncertain whether Rodriguez and top veteran Communist leader Blas Roca are personally now aligned against Castro.

Communist Tactics

The leaders of the 36-year-old Popular Socialist party

(PSP) early realized that they did not have a charismatic leader such as Castro able to rally the masses as Castro could. They recognized that for some time it would be necessary to retain Castro as a symbol in order to maintain the legitimacy of the revolution. They sought to use him as a facade behind which they could run the show. To this end they attempted to hammer home the concept of "collective leadership" and buttress it with the concomitant concept of "democratic centralism." At the same time, taking advantage of their own party machine and Castro's aversion to organizational and administrative problems, they tried to pack the developing single party structure with men chosen for their allegiance to the PSP. Concurrently, Castro's own Communist-inclined but vague and romantic political ideology was being "developed" by such Communist veterans as Rodriguez.

Until recently, PSP leaders were having considerable success with their program. The old PSP machine became the only organized and disciplined group in the Integrated Revolutionary Organizations (ORI), the single political machine developed beginning in the summer of 1961 from a "merger" of revolutionary groups and slated to become the United party of the Socialist Revolution. As the ORI was being developed, PSP veterans repeatedly stressed the necessity for "collective leadership." Since there was no threat of a "cult of the personality" except from Castro, the "collective leadership" slogan, if put into effect, could only operate to clip Castro's wings and to put power into PSP-packed ORI directorate.

At the same time, the PSP leaders stressed the need for "democratic centralism" and party discipline. Top PSP leader Blas Roca, eulogizing an old party martyr, praised him as "before everything, a party man." Anibal Escalante, during this period, explained that what was

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required of candidates for ORI membership was not a profound knowledge of Marxism-Leninism but a willingness to obey the orders of the party. This kind of "party man" was being put in charge of ORI units throughout the country, while Castro supporters who were not PSP veterans were losing political influence.

Signs of Power Struggle

Castro's 1 December 1961 speech proclaiming himself a Marxist-Leninist suggested that something was amiss within the Cuban leadership. In the light of subsequent events, the speech appears to have been an attempt by Castro to assert his authority in the face of attempts by PSP leaders to usurp it. By the end of February, there were other signs of a struggle for power. Not only had Castro himself not made any major speeches since early in the month, but his brother Raul and the usually voluble Che Guevara were uncharacteristically quiet. Although Castro had announced plans for the formation of the ORI in July, announcement of the membership of the ORI National Directorate was withheld until 9 March.

When the announcement came it appeared that Castro and those identified with him had managed to obtain at least an equal representation with the PSP veterans in the top party leadership. The first four members named were himself, his brother, Guevara, and President Dorticos. Of the next seven named, three were veteran PSP leaders--Blas Roca, Rodriguez, and Escalante--but three were leaders of Castro's 26th of July Movement and one the leader of a student group. In terms of numerical ratio, ten were veteran PSP leaders and ten were

prominent in the 26th of July Movement, but in the listing of names, clear honors went to Castro and his followers.

Since that time, Castro has pre-empted and maintained the center of the stage, with PSP veterans echoing his lead. On 13 March, he violently attacked those who would rewrite history and inveighed against the idea that anyone should accept what "they" say simply because "they" say it: "What is the revolution being converted to? Into a group of tame minds! This is not revolution!" He attacked those who try to force Marxism on people rather than lead them to it through reason and example. He seemed to be setting himself up as a "true" revolutionary because of his faith in the "masses." His speech was a compound of the romantic nonparty "Marxism" which orthodox Communists have much reason to fear.

On 17 March, Castro delivered another rousing condemnation of "those who regard themselves as more revolutionary than anyone else." He attacked their misuse of power, their abuse of privilege, and their perpetuation of injustices. "They" are infiltrating the cells of the ORI, he said, adding that "it is here that we must be the most vigilant... because there are a number of persons who believe that the revolutionary nucleus is meant to take away the power of the administrators." Castro then defined whom he meant by "we" as opposed to "they." He said: "We are the ones making the sacrifices; it is not the privileged ones.... The authority we have does not come from the ORI. It comes because we conquered for the revolution...."

On 17 March, Che Guevara broke his long silence on policy

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matters with a strong attack on the "bureaucratic controls" which hamper economic development and charged that an economic plan for the nation, perhaps one drawn up by veteran Communists, was "an absurd plan, detached from reality." On 23 March, it was announced that Fidel and Raul Castro had been named first and second secretaries of the ORI, and on the next day Raul Castro's appointment to the newly established post of deputy premier was announced. Whatever eclipse there had been in the authority of the Castro brothers and Guevara was now clearly at an end, and the balance of power seemed to be shifting back from the PSP veterans to those whose first loyalty is to Castro.

Finally, on 26 March came Castro's longest and hardest hitting speech of the series, which contained the announcement that Escalante, third most influential of the PSP veterans, had been purged from ORI leadership. In this speech, Castro moved from the "we-they" to the open "new-old." He made it clear that his targets were those who believed that only an old PSP militant was trustworthy. He decried the packing of provincial and municipal ORI units with old PSP functionaries, some of whom had "hidden under the bed" while he and others were fighting the revolution. He was fervent in his emotional defense of his revolutionary comrades and loyal commanders who fought with him against Batista and expressed horror that these people, because of their so-called "low political level," should be replaced with those who can "recite a Marxist catechism from memory" without being able to apply it.

Although he supported the principle of "collective leadership," Castro's definition recog-

nized the need for someone with prestige and authority who commands because of his prestige, but not through unthinking adulation. His authority and prestige, he maintained, are derived from the prestige of the revolution he led, and he made it clear that he recognizes that "they" were attempting to destroy the prestige of the revolution in order to hobble him.

The curious reaction to the Castro charges by the Cuban Communist press reinforces the view that the struggle for power was primarily between Castro and top PSP veterans, rather than an internal PSP fight. Generally, when a predominant faction of a Communist party is able to purge a powerful member of another faction, the press under its control begins an immediate campaign of vilification. In this case, however, Hoy, the PSP organ, has maintained a significant silence after its initial editorial on 28 March. This editorial, supporting Castro's statements and praising him for them, gave the impression of chasing a bandwagon set in motion by someone else, not of leading the attack.

Moscow Reaction

Moscow's reaction to the Cuban political developments lends further support to the view that this was not a purely internal PSP struggle. There has been no official comment from Moscow, which would be expected if a pro-Soviet faction had been successful in a power struggle. Moscow instead broadcast a TASS report which fuzzed the charges against Escalante and carefully avoided the parts of Castro's speech which indicated differences between him and orthodox Communists. Castro must be viewed with suspicion in Moscow. He and his followers, a group of romantic self-proclaimed

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Marxist-Leninists, may be Communists, but not in the Soviet sense. They do not have the same discipline, the same reverence for traditional models and ways of doing things. While Castro remains vitally dependent on the Soviet Union economically and in international affairs, Moscow may suspect that his brand of "Cuban Communism" will weaken Soviet control over developments in Cuba.

The Future

On 30 March, the ORI National Directorate issued a

directive over the signature of Fidel Castro instructing all ORI cells that "nobody, absolutely nobody, may proceed with the reorganization of the cells," which must be carried out under the supervision of higher authority. Clearly, there are to be further charges and changes. However, although Castro appears to have won a temporary victory, his long-term position is by no means assured.

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LAOS

Souvanna Phouma, prior to his departure from Laos on 3 April for an indefinite stay in France, issued a statement urging the US to implement further sanctions against General Phoumi's regime to force its participation in a coalition government. Souvanna and Pathet leader Souphannouvong, in late March conversations with US and British officials, had stated that they were prepared to wait two or three months until US pressures could effect a change in Phoumi's position.

They maintained, however, that continuance of present economic sanctions would not be sufficient and that military aid must be withdrawn as well. Souphannouvong insisted that all support should be cut off immediately, while Souvanna--desiring to weaken Phoumi's power base but at the same time anxious to avoid possible serious impairment of a force which in the future could provide a valuable counterbalance to the Pathet Lao--called only for withdrawal of US MAAG teams in Laos.

A further disparity in the views of the two princes toward the US imposition of sanctions became apparent when Souvanna pledged that his forces would not exploit any weakening of the Vientiane forces to improve their own military position. Souphannouvong did not join in this pledge, declaring that he would continue "mopping-up" operations in areas behind what he considered to be the cease-fire "line" of 3 May 1961.

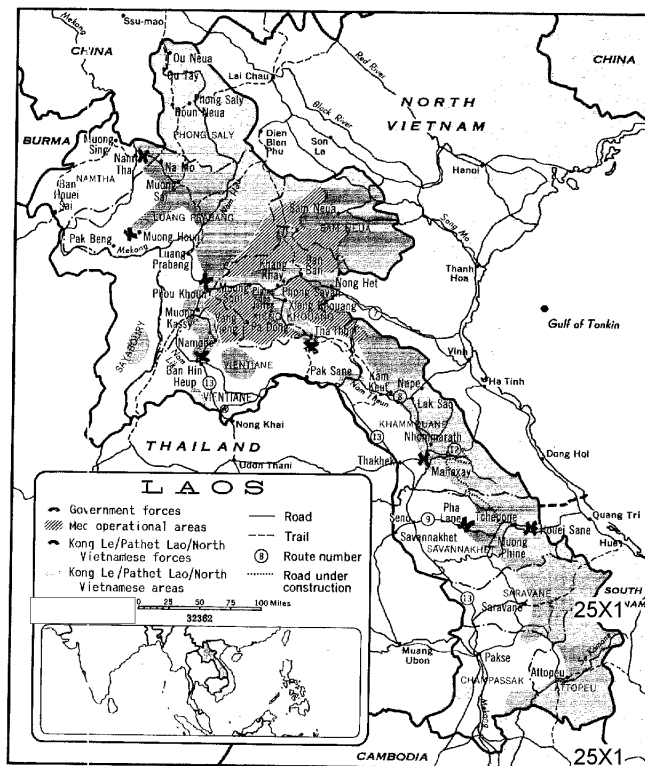
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Limited attacks have been initiated by the Pathet Lao - Kong Le forces throughout northern

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Laos. These moves appear designed both to increase pressure on Phoumi to accept a Souvanna coalition and to counter Meo guerrilla units which during the past year have mounted highly effective harassment and interdiction operations. The Meo forces have been active throughout large areas in Xieng Khouang and Sam Neua provinces, and in lesser portions of Luang Prabang and Vientiane provinces. Numbering about 10,000, the Meo forces have exercised a de facto control over much of this territory. Such "control," however, is not absolute. In the past it has been demonstrated that Kong Le - Pathet Lao units, by concentrating their forces against selected Meo areas, have the capability of wresting control from the guerrilla forces. It has been difficult, however, for the antigovernment forces to hold such areas without a fairly sizable and sustained effort.

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MIDDLE EAST HIGHLIGHTS**Syria**

The power struggle among Syrian military elements, which erupted this week into open rebellion and near civil war, has abated temporarily following a compromise negotiated at Homs and reluctantly accepted by leaders of the pro-Nasir forces in Aleppo. On the afternoon of 3 April, Damascus radio announced that order had been restored and that the army

units and officers in Aleppo returned to their barracks. Officials in Damascus remain concerned about internal security in Aleppo and other northern cities, however, and are particularly apprehensive that pro-Nasir or Communist extremists will instigate new riots and clashes. The Syrian capital itself is still tense, as officers and politicians maneuver for control of the government.

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The rebellion was touched off by the Syrian military command's displacement of the Qudsi-Dawalibi government and its seizure of direct power on 28 March. This action brought the command under immediate pressure both from a conservative officers' faction which supported the Qudsi regime and from a faction of radical, pro-Nasir officers. Units commanded by officers aligned with each of these groups were involved in fighting in the city of Homs on 31 March against tank forces sent by the military command from the Damascus area to put down disturbances there.

Riots and demonstrations against the military command also took place in Aleppo, Hamah, and Latakia. In Aleppo these were followed by a wave of violent clashes and shootings, and by early morning on 2 April pro-Nasir forces were in control of key points in the city, including the radio station. They proclaimed open rebellion against the military command in Damascus, appealed for the support of other Syrian military units, and demanded immediate reunification of Syria and Egypt.

The following day, however, the situation in Aleppo changed sharply. Damascus threatened air and ground attack unless the Aleppo rebels agreed to accept the provisions of the compromise accord worked out at Homs. The extremist commander of the Aleppo group was displaced by a more moderate officer. Cairo radio broadcast a statement by President Nasir appealing to Syrians to avoid civil war and making it clear that Egyptian forces would not be sent unless other outside forces intervened. As a result



of these shifts, an uneasy truce was arranged, and the rebels ceased their broadcasts.

The Homs agreement provides for a return to civilian government after a transitional period and for much closer relations--short of reunion--between Syria and Egypt. It also specifies an almost complete change in the structure and personnel of the military command. Seven members of the command--those who played some of the key roles in the army's assumption of power on 28 March and who apparently resisted the idea of a major rapprochement with Egypt--have already been sent out of the country.

Radio Cairo has already charged, however, that this part of the Homs agreement is being violated and that other "reactionary" officers who should have been exiled are maneuvering in Damascus to gain control. Thus it appears that the new

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command will become a focal point for renewed rivalries and the contest to control it may be settled only after a resumption of military strife. Radio Damascus on 4 April began propaganda counterattacks, accusing Cairo of "cheap fabrications" and "intrigues against the Syrian people."

The Soviet Government is probably pleased with the course of events in Syria. Moscow commented favorably on the 28 March assumption of power by the military command; the prospective changes in the command to give more representation to young, radical officers would--if implemented as planned--be regarded by Moscow as a further fortuitous shift. The sharp new cleavage between the pro-Nasir and the various anti-Nasir elements in Syria and the likelihood of a considerable period of intense political strife will probably provide unusual opportunities for the Communist party to increase its influence. The USSR has remained noncommittal while reporting demands of Syrian groups for reunification with Egypt and probably still regards the break-up of the UAR as favorable to longer range Soviet interests.

Jordan

The Jordanian Army was put on a moderate alert status because of the Syrian situation.

Israel-Syria

It is doubtful that recent events in Syria and the changes in the ruling military junta there will have much moderating effect on Israeli-Syrian border tensions. During the disturbances, the command in Damascus sought to rally the Syrian Army and the public by invoking the threat from Israel, claiming the Israelis were "massing troops on the border for a new aggression." There remains a possibility of some Syrian-initiated action along the border in a further effort by the reorganized junta to unify the country. In such an event the Israelis probably would respond even more vigorously than on 16-17 March. The Israelis claim the Syrians directed heavy machine gun fire on an "Israeli" area in the demilitarized zone on the night of 1-2 April. The fire apparently was not returned.

The UN Security Council continued to meet this week to discuss the respective complaints of Syria and Israel against each other. Any resolution by the Council which condemned Israel for retaliation while tending to depreciate the importance of Syrian "provocation" would be unlikely to deter the Israelis from taking further reprisals against harassment along the border. Israel, moreover, has warned that such a resolution would only embolden the Syrians.

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President Guido is consulting with all political groups, including the Peronistas, on steps to resolve the crisis without violence. The Peronistas have threatened to fight to claim their 18 March electoral victories on 1 May but reportedly believe that they can make a deal with the armed forces. Guido plans to call a special session of congress shortly to deal with military demands for proportional representation, new labor legislation, and curbs on Peronista political activity.

Although the military are determined to prevent a resurgence of Peronista political power, the majority of the armed forces prefer constitutional government. They consider that their action on 29 March to force Frondizi's replacement by his constitutional successor responded to popular will in the face of Frondizi's refusal to resign. The Supreme Court ruled on 31 March that Guido's accession to the presidency was legal.

The role of opposition political parties in the crisis was stressed by Frondizi in a letter released after his ouster. He said that some of the parties which called themselves "democratic" were openly in favor of the military coup, and that only the small Christian Democratic party protested. The military said their action was prompted by the opposition's calls for Frondizi's resignation and the refusal of opposition leaders to join in a coalition cabinet in the wake of his party's electoral defeats by the Peronistas.

The UCRI's public attitude toward the Guido government is mixed, reflecting anticipation of future political alliances. Frondizi and the UCRI national committee persuaded Guido to accept the presidency as the best hope of preventing a military junta. The UCRI's official position is that with Frondizi's ouster, the party too was illegally removed from power, but that members can cooperate on an individual basis. Accordingly, Guido resigned from the UCRI. The calls from various UCRI elements for Frondizi's return from detention--apparently now regarded as temporary--and for noncooperation with Guido stem from the presidential aspirations of various UCRI politicians. According to the UCRI vice president, Frondizi does not wish to return to the presidency at this time but intends to work for a united front of various UCRI and Peronista elements--an alliance that would cause the military further concern.

The campaign of Venezuela's President Betancourt to deny Guido diplomatic recognition has raised fears in Argentina that it might help undermine the Guido government. It appears, however, to have attracted little support among other Latin American governments--which are consulting prior to a decision and appear eager to avoid seeming to interfere in Argentine internal affairs. Brazil appears to share this view but concomitantly hopes to benefit from Argentina's difficulties to obtain for itself a larger role in the Alliance for Progress.

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CONGO

The stalemate continues in the negotiations at Leopoldville between Tshombé and Adoula concerning Congolese reunification. Adoula's frustration at Tshombé's insistence that any agreement reached be ratified by the Katangan assembly led to a "suspension" of the talks on

24 March. They were resumed several days later, but Tshombé provoked Adoula by leaking information on their discussions to the press. On 29 March, Adoula publicly denounced Tshombé, questioning his good faith, charging him with stalling in order to build up his military

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strength in Katanga, and announcing that Leopoldville had exhausted the possibilities of a peaceful solution.

Subsequent efforts by UN representative Gardiner appear to have helped avert a complete rupture, however, and Adoula and Tshombé resumed the talks in a more conciliatory atmosphere. On 31 March, Tshombé emphasized to Gardiner that he had come to Leopoldville to achieve a solution and that he still wanted one if he could get through "to these stupid people." Gardiner has sought to move the talks on to issues other than that of Tshombé's mandate, and has encouraged discussion of what representation Katanga might have in the central government in the event of reunification.

While the threat of an early breakdown appears to have been averted, lack of progress in the talks has contributed to an atmosphere of frustration and anger in Leopoldville. On 30 March the government arrested three of its most outspoken critics, including a union leader and the editor of Le Courrier d'Afrique, Leopoldville's only daily newspaper. On 3 April the government ordered Le Courrier and a weekly to suspend publication. The US Embassy characterized the arrests as "extremely ill considered."

Adoula appears to have emerged relatively unscathed from a 48-hour general strike called by the powerful Union

of Congolese Workers for 2 April to protest increasing unemployment--estimated to have risen in the past three months from 85,000 to 114,000. Secondary unions failed to respond to the strike call, and most public services were unaffected.

The UN apparently plans drastic action against Tshombé if the talks break down. Any UN effort to collect Katangan mining revenues on behalf of the central government--using UN forces in Katanga--would pose the threat of new hostilities.

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There are recurring reports that the Katangan air force is being reorganized in southern Katanga, and that mercenaries continue active outside the Elisabethville area. The UN Command announced the seizure on 4 April of 40 Harvard aircraft engines from a depot in the Elisabethville area. On 22 March, Gardiner said UN information indicated that Kimba and Munongo--possibly without Tshombé's knowledge--were negotiating with a South African firm for the purchase of Harvard trainers modified for military use.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****NEW BLOC ECONOMIC AID TO EGYPT**

The recent extension of a \$56,000,000 line of credit by Czechoslovakia raises total bloc economic assistance to Egypt (beginning in 1955) to more than \$671,000,000. Cairo now ranks second to India in the amount of bloc economic aid received and to Indonesia in military aid. Current discussions between Moscow and Cairo regarding a new long-term trade agreement probably also are concerned with additional Soviet assistance for Egypt's economic development plan.

The Czech credit--the largest single economic credit extended by Prague to any country outside the bloc--will be used to buy machinery and equipment for Cairo's industrialization program. Repayment probably will be over an eight- to ten-year period at 2.5-percent interest, presumably in the form of commodities. An earlier Czech credit of \$21,500,000 to finance equipment and machinery for municipal development projects expired with almost \$3,000,000 unutilized. Another Czech credit of \$12,200,000 is being used to expand the power station at Talkha.

In January 1962 the USSR and Egypt signed contracts obligating the balance of the \$175,000,000 Soviet industrial credit extended in early 1958. These contracts provided for Soviet participation in construction of the Helwan coke

plant, the Suez power station, a steel rolling mill, an iron-ore concentration plant, and a tar distillation plant. Several important industrial projects--notably the Alexandria shipyard--were not included in the January agreement, and Moscow probably will offer additional credits for these projects.

Cairo, in a further move to alleviate its foreign exchange difficulties, has indicated a desire in recent trade negotiations to import more goods from the bloc. For the past several years the bloc has accounted for about one third of Egypt's total trade. Long-term trade agreements--either for a three- or four-year period--have been concluded with Bulgaria, Czechoslovakia, and China. The existing East German - Egyptian long-term agreement was extended to cover 1962, and plans were made to negotiate a new long-term agreement in 1963.

Egyptian cotton export commitments continue to run heavily to the bloc; the figure probably will reach 65 percent of total exports by the end of the season.

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The recent East German (SED) party central committee plenum and the subsequent Volkskammer meeting were devoted largely to economic problems. Plans for 1962, completed in consultation with Moscow, indicate a continuation of the more realistic short-term economic policies adopted in 1961. The same factors which slowed growth in 1960 and 1961, however, will remain during 1962--declining employment, unused productive capacity, and serious troubles in agriculture brought about by forced collectivization.

The key plan goal for 1962 is a 5.8-percent growth rate in industrial production--virtually the same as the actual rate of increase in 1961. This is not only lower than the rate (7.2 percent) planned for 1961, but much lower than the yearly rate needed to achieve the Seven-Year Plan (1959-65) goals. The Soviets apparently have sided with the "realists" in the East German regime in an effort to put planning on a sounder basis, and party boss Ulbricht has admitted that long-term plan goals through 1965 have been lowered.

The investment program, which has been lagging far behind plan for the last three years, will be pushed ahead in 1962 at the expense of the steady increase in consumption promised to the people. With the aid promised by the USSR, the regime will be able to move ahead with priority projects, such as steel rolling mills and chemical plants. The 1962 plan calls for an increase of more than 7 percent in net productive investment and inventories. One third of all investments will be

earmarked for fuel and power production, mining and metallurgical industries, and chemical and electro-technical industries.

The 1962 plan calls for a 6-percent increase in labor productivity, to be achieved by continuation of the "production appeal," now being pushed under the slogan "New Technology--New Norms." Although the regime continues to sidestep an across-the-board increase in work norms, State Planning Commission Chairman Karl Mewis, in his speech to the Volkskammer, indicated that new norms must be set when the installation of new equipment and utilization of new methods result in increased labor productivity. He said also that special bonuses and automatic increases in wages, which until now have been readily achieved because of the easily overfulfilled norms, must be abolished. In some instances, these measures may lead to wage reductions.

Important changes were approved in early March in collective farm statutes with a view to increasing emphasis on collective farming and, in particular, to reducing private holdings of livestock--which still account for a large part of the output of meat and dairy products. In a speech last month to the Peasant party congress, Ulbricht called for substantial shifts of livestock holdings to collective ownership. Other reforms designed to increase the profitability of agriculture to the regime and to tighten control over agriculture down to the local level have been proposed and probably will be implemented before the end of the year. At the central committee plenum, however, Ulbricht indicated

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that organizational changes would be made "probably after the harvest," indicating that the regime will continue to move cautiously.

Ulbricht and other leaders stated frankly that no rapid increase in consumption could be expected for some time. The regime will try to limit further wage increases and at the same time raise prices for consumer goods. One indication of the slowdown in the growth of consumption is the planned increase of only about 2 percent in retail trade turnover in 1962. Shortages of quality foods will continue, and the system of informal rationing now in force for butter and potatoes probably will be extended to include other food products such as meat. The supply for consumer durables

has always lagged well behind demand, and the gap has widened in the past two years.

Speakers at the plenum said relatively little about their favorite theme of making the economy invulnerable to "Western disturbances." East Germany succeeded in reducing its vulnerability to a Western economic embargo in 1961 mainly through better contingency planning and a substantial increase in inventories of some high-quality steels as a result of greatly increased deliveries from West Germany. Thus, even though the total value of trade with West Germany fell off by about 10 percent in 1961, interzonal trade remains advantageous to East Germany, and it apparently plans ^{25X1} to maintain or to increase imports of critical materials in 1962.

BRITISH GUIANA

The Jagan government has made its first deal for capital equipment from the Soviet bloc by provisionally agreeing to purchase agricultural processing equipment worth approximately \$600,000--including a flour mill, a rice bran oil extraction plant, and a rice oil refinery--from an East Berlin firm. The terms are 20 percent in cash, with the balance repayable in goods or cash within four years at not more than 4.5-percent interest.

Jagan's cabinet will probably ratify the agreement, and London is unlikely to oppose it, in view of the colony's precarious

economic position. Other factory projects have been discussed with Czechoslovakia and Poland, and deals can be expected soon. Guiana's trade with the bloc at present consists solely of imports, but although such trade is less than 2 percent of total trade, it has been growing at a rate faster than that of total trade.

Since the mid-February disorders, economic problems have been compounded by the plans of many business and professional men to leave and by the government's continuing administrative ineptitude. Governor Grey foresees a cash crisis for the government by mid-April requiring further advances by London.

Premier Jagan is increasingly dependent on foreign

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advisers. [REDACTED]

While Jagan's leadership of the colony is not now threatened, discontent with his policies and his reliance on foreign advisers may give rise to some reshuffle of leading party figures at the conference of his People's Progressive party on 21 and 22 April. Another test for Jagan will be the legislative action on the revised budget he plans to present shortly.

London has apparently not reached a decision on whether to postpone the independence conference previously scheduled for May. Prior to the conference the British expect the Commonwealth investigatory commission to report on the February disorders and expect Jagan and the two opposition leaders to reach some measure of agreement in current constitutional talks with the governor. Their failure to do so could delay independence [REDACTED]

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ECUADOR

Faced with a threat of revolt by the armed forces, President Arosemena on 2 April broke diplomatic relations with Cuba, Czechoslovakia, and Poland. He did not announce what would happen to the more than 200 asylees in the Ecuadorean Embassy in Havana, but press reports state they will be moved to the Brazilian Embassy. Czechoslovakia and Poland were the only bloc countries with which Ecuador had diplomatic relations.

Shortly before the breaks were announced, Arosemena's entire cabinet resigned "to give the President freedom of action." His new cabinet contains six of the former ministers, and all its members are political moderates--liberal but anti-Communist--who can be expected to push ahead with the reform measures--particularly agrarian and tax reforms--which Arosemena has been urging in the face of Conservative opposition.

Arosemena, who has maintained a precarious balance between left and right since he took office last November, seems to have strengthened his position. By granting the rightists and the military leaders the long-sought break with Cuba, he has opened the way for enactment of the reform measures for which his leftist supporters have been clamoring. Some violence was anticipated from pro-Castro and Communist elements protesting the break with Cuba, and the security forces took extra precautions. No violence has occurred thus far, however, and demonstrations in support of the move have been larger and more numerous than the protest demonstrations.

Leftists have to a considerable extent used the Cuban issue as a symbol of their discontent with lack of progress toward reform in Ecuador and are likely to forget the issue if Arosemena can move ahead with his reform program rapidly.

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The program, which consists of generally moderate measures in line with the Alliance for Progress, has not yet been for-

mally presented, however, and is likely to meet with further resistance from landowners and some rightists. [REDACTED]

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STUDENT UNREST IN PORTUGAL

Unrest and leftist influence are growing among Portuguese students as general dissatisfaction with the Salazar regime increases. Government repression of recent large-scale demonstrations by students at Lisbon and Oporto universities seems to have alienated some of Premier Salazar's supporters and may have opened a split in the regime over how to deal with the student problem.

There is a continuing sense of frustration over the loss of Goa, as well as over developments in the African colonies and their repercussions in the UN. Despite the regime's efforts to turn public opinion against the US as the cause of Portugal's difficulties, however, there has still been no significant popular manifestation of anti-American sentiment.

The American consul in Oporto felt that the situation there was "tense and potentially explosive" in mid-March after the government refused to release students arrested at a large Communist-organized demonstration early in the month. An International Student Day meeting, which the Lisbon University rector had reportedly approved for late March, was banned by the police, who attacked and arrested a number of the 4,000 to 7,000 students involved in a protest meeting on 24 March.

This police action has caused widespread resentment

among center and right-wing students [REDACTED]

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The Lisbon University faculty is said to be almost unanimously sympathetic with the students.

The Education Ministry lifted the ban on the celebrations when the students called an indefinite strike, and they now are approved for mid-April. Marcelo Caetano, Lisbon University rector and former minister of the presidency in Salazar's cabinet, tried to resign in protest over the ban and now enjoys tremendous prestige among the students. Most observers in Lisbon agree that the government's decision to reverse its position has strengthened him politically, and he may as a result command considerable support among followers of the regime who feel that some changes in policy are necessary.

Leftist student groups will probably continue their agitation. [REDACTED]

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Leftists will probably press their advantage now that the celebrations have been approved. [REDACTED]

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SPECIAL ARTICLES

PROGRESS OF EUROPEAN SATELLITE ECONOMIC COOPERATION

Since early 1958 the Council for Mutual Economic Assistance (CEMA)--formed in January 1949 by the USSR and its European satellites--has expanded its activities related to achieving closer bloc economic cooperation and integration of the satellites' economies. The initial impetus for this development came from Khrushchev when in April 1958 he criticized the inadequacy of bloc cooperation. An effort by CEMA to coordinate the 1956-60 national economic plans was unsuccessful, in part because it was undertaken after national plans had been approved and during their implementation. Coordination of 1961-65 plans was more timely and more thorough, however, and coordination of long-term planning through 1980 is being undertaken by CEMA.

CEMA held its 15th plenum in Warsaw from 12 to 15 December 1961, with all members except Albania attending. Among the subjects discussed were plan coordination, product specialization (division of labor), and long-term (1980) coordinated planning. A draft resolution on basic principles of product specialization was approved, and an organization to amalgamate the electric power systems of member countries was established. The conference adopted recommendations on the development of inland water and road transport and standardization of cargo ships. In addition, the countries agreed to establish specialized production of some commodities and to increase output of others.

Types of Collaboration

The promotion and regulation of foreign trade was for many years CEMA's primary effective function. Since 1955, however, it has become more

active in the coordination of economic plans, industrial specialization, standardization of methods and designs, scientific and technical cooperation, and the establishment of joint investment programs and joint industrial projects.

The achievement of product specialization and of standardization are extremely time-consuming and complex tasks. Industrial specialization has been applied mainly to new facilities, and there has been little significant curtailment or abandonment of existing production capacity. Standardization of techniques has progressed further than the application of uniform standards to industrial production. Some progress has been made in standardizing statistical and accounting practices, and a standard form of commercial contract, a uniform nomenclature in foreign trade, and a uniform system of industrial classification for statistical purposes have been adopted. The machinery and equipment industries offer the best prospect for both specialization and standardization of production.

Some specialization of production has taken place in the machine-building industry. In the East European motor vehicle industry, some of the recommended production assignments of the CEMA Permanent Commission for Machine Building have been carried out. For example, East Germany has given up the production of heavy trucks and buses, and automotive parts made in Hungary are shipped to East Germany for use in automobiles produced there. In the machine tool industry, CEMA recommended that East Germany limit its production of horizontal boring mills to 8-inch and smaller types, and East Germany abandoned plans to produce 10- and 13-inch boring

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mills when their prototypes were not equal in quality to the Czechoslovak products. Examples of specialized production of agricultural machinery include Czechoslovak production of engines for self-propelled grain combines produced in Hungary, and East German implementation of the CEMA directive to specialize in the production of potato combines.

Progress has been made both in industrial standardization and in reduction of the number of types of equipment produced. Since 1960, CEMA has been sponsoring field tests of various agricultural machines in order to select standard models for production. A major step in the process of standardization was the adoption in 1958 of a classification system for chemical equipment.

One of the earliest and best-developed types of economic collaboration is scientific and technical cooperation involving an exchange of specialists, blueprints, and other data. This activity is handled both by permanent commissions of CEMA and by bilateral committees for scientific-technical collaboration established as early as 1947. In principle, technical documentation is exchanged free of charge upon request.

some countries must be pressed to disclose valuable industrial processes which would harm their competitive positions, and that they charge for this information.

Nevertheless, bloc announcements stress the high degree of scientific-technical cooperation. For example, the Poles claimed in October 1961 that during the postwar period they had received 5,828 sets of scientific and technological blueprints and had dispatched 3,171 sets. They further stated that Poland has sent 11,091 specialists to other bloc countries for consultation and had received 5,325.

CEMA has begun to organize and coordinate economic activities of the European satellites in support of Soviet programs in the underdeveloped countries through coordinated planning of technical assistance and sales. Of far greater importance has been the increase in joint (bilateral and multilateral) industrial projects--many financed by credits--which have been undertaken in the satellites at CEMA's recommendation. Some of the most significant of these have been in the fields of fuels and power, metallurgy, and chemicals.

Joint Projects

Of the joint projects sponsored by CEMA, the largest and probably most significant is the construction of a 3,600-mile oil pipeline system to carry crude petroleum from the Urals-Volga region. When completed the pipeline will lower significantly the cost of transporting oil from the USSR, reduce transloading operations, and release large numbers of tank cars for other purposes. It will also permit expansion of petrochemical industries in the satellites.

Work on the integrated electric power network was started in 1958. The basic source of power is to be large thermal-power plants now under construction in Poland and East Germany. High-voltage transmission lines will distribute electric power over long distances in order to balance power supplies and demands. The power systems of East Germany, Hungary, Czechoslovakia, and Poland are already joined. In May 1962 a two-way 220-volt line between Hungary and the power system of the western Ukraine is scheduled for completion, and by 1965 the electric power systems of all CEMA member countries except Albania are to be integrated.

Fuel resources are being developed with the aid of other

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joint bloc investments. One project in progress calls for Czechoslovakia to supply Rumania with equipment for two thermal-power plants to utilize Rumanian natural gas for fuel; repayment will be made in electric power. Czechoslovakia has extended a credit of \$62,500,000 and East Germany one of \$100,000,000 to Poland for the development of coal deposits; these credits are to be repaid by Polish coal deliveries.

One of the most publicized multilateral projects in the bloc has been the joint construction of the largest cellulose plant in Europe at Braila, Rumania. The first phase of this project has been completed, and it is expected that the plant will produce 40,000 tons of cellulose in 1962. Half the construction cost is being met by Rumania, with East Germany, Czechoslovakia, and Poland supplying the remainder. The plant, which will cost an estimated \$114,000,000, is being administered by a mixed commission.

Despite these and other examples of joint investments under CEMA auspices, Gomulka and other Polish leaders have complained about a lack of cooperation in intrabloc investment planning. One result has been the establishment of increased Polish-Czechoslovak bilateral economic cooperation in an effort to effect greater synchronization of economic planning. Since 1957 Czechoslovakia has agreed to extend to Poland credits of \$213,000,000, the largest sum thus far advanced by one European satellite to another, to help exploit deposits of hard coal, sulfur, and copper. Czechoslovakia will receive shipments of these commodities as repayment.

Polish-Czechoslovak cooperation under CEMA auspices is being increased in other ways since the visit to Czechoslovakia last October of a Polish delegation

headed by Gomulka. Specialization of production, especially in the machine-building industry, is being increased; and one result has been the recent decision to discontinue the production of Polish Ursus tractors and begin joint production of the Czechoslovak Zetor tractor. Moreover, bilateral coordination of long-term economic plans is to lead to further significant increases in trade between the two countries.

Problems and Prospects

Although CEMA has accomplished much since 1958, present plans do not envisage a single, integrated economic unit. The CEMA program continues to be based on a system of national economic plans--often unrealistic--in which cooperation is limited by the primary responsibility of national planners to national leadership. Thus, only partial coordination of plans has been achieved. Economic policies in the area are less autarkic than in the Stalinist period, but each country in its own planning continues to emphasize development of a broad range of major industries.

The limited mobility of capital and labor restricts possibilities for the most efficient location of industries irrespective of national boundaries. Other impediments include: the absence of price systems reflecting real costs in each country, thus limiting specialization on the basis of comparative advantage; the continued bilateral balancing of the bulk of trade and payments (despite the existence of machinery for multilateral settlements); and the administrative clumsiness of the foreign trade monopoly system.

In the long run, however, implementation of CEMA's programs to tighten economic interdependence and to further industrial specialization will strengthen the economic position of each satellite individually and of the East European states as a bloc.

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THE FINNISH COMMUNIST PARTY

Despite the deep anti-Russian sentiment of most Finns, the Finnish Communist party (SKP) is one of the strongest political forces in the country. It is powerful in organized labor, and its front organization, the Finnish People's Democratic League (SKDL), has the support of more than 20 percent of the electorate. The Communists have achieved this position by capitalizing on socio-economic grievances, by maintaining a well-organized, heavily subsidized party apparatus, and by exploiting Finland's closeness to the Soviet Union. Since 1948 the democratic parties have successfully blocked the Communists' efforts to gain cabinet representation, but the party and its front remain a constant threat to Finland's established democratic order.

History

The SKP was formed in Moscow in 1918 by exiled leaders of the radical wing of the Social Democratic party shortly after the defeat of the Reds in the Finnish Civil War. Between 1922 and 1929 the SKP, operating in Finland under various fronts, managed to win 10 to 14 percent of the vote. By 1929 the Communists had gained a predominant position in the country's only labor federation, forcing the Social Democrats to abandon it and form their own organization, the Central Confederation of Labor. Shortly thereafter, the SKP was outlawed and forced underground. At the outbreak of the Winter War (1939-40) with the USSR, the SKP played an important role in the formation of a puppet government set up by Moscow on the Karelian Isthmus, but this effort was abandoned when Moscow realized it had

misjudged the party's degree of popular support.

The armistice in 1944 and the subsequent peace treaty in 1947 formally ending what the Finns call the Continuation War (1941-44) required the Finnish Government to recognize the SKP as a bona fide "democratic" political party. The SKP has chosen to continue to work through the SKDL, however, as part of its technique of parliamentary collaboration with non-Communist elements, despite the obvious advantages which have accrued to it since the war--its status as a legal party and the necessity for the Finnish Government to maintain good relations with Moscow. This tactic has been quite successful; the six postwar parliamentary elections have consistently given the Communist-dominated SKDL from 20 to 25 percent of the vote. The SKP, however, has never been able to increase its own membership significantly.

Sources of Communist Strength

The left radicalism of large groups of the Finnish population which contributes to the political strength of the Communist front has its roots in a number of historical and sociological developments. Finnish sociologists point to the period 1809-1917, when Finland was an autonomous grand duchy of tsarist Russia, as a period of social and political stagnation. The plight of the large group of landless tenant farmers and agricultural laborers was particularly acute, and the slow pace of industrialization permitted no early solution. These factors contributed directly to the brief but bloody civil war of 1918, in which the Finnish Whites, led by General Mannerheim

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and aided by a German expeditionary force, defeated the combined forces of Finnish Reds and Russian troops garrisoning Finland.

The legacy of hatred and bitterness generated by this conflict has remained an important factor in Finnish political life. It continued to provide the Communists with a hard core of blindly loyal followers among the descendants of the defeated, as well as to inspire an equally hard core of anti-Communists. Other factors aiding the Communists have been the drastic change in the balance of power in Europe and the emergence of the Soviet Union as the principal land power there. Particularly in the years following World War II, the heightened prestige of the Soviet Union has benefited the Finnish Communists to some degree. More recently, a factor aiding them has been the dissension among the Social Democrats--Finland's only democratic labor party.

SKP-SKDL Relations

The SKDL has about 145,000 members, and the SKP about a third as many. While 507,000 (22.1 percent) of Finland's voters supported the SKDL in the February 1962 elections, most of them are nonparty members who remain basically nationalistic in outlook. Their support of a Communist-front party reflects in large part a protest against real or imagined social and economic grievances or resentment on other grounds toward the other parties rather than dedication to Moscow. This was demonstrated conclusively during the 1939-40 Winter War, when the overwhelming majority of Communist party supporters fought along with the other Finns in resisting Soviet aggression.

The SKDL, which is an unwieldy assortment of left-wing Socialists, radical agrarian elements, and some disgruntled intellectuals, is kept organizationally separate from the SKP to preserve an outward appearance of independent action. In reality, the SKP determines

the general policy line to be followed by the SKDL through the presence of leading Communist party officials and functionaries at various levels throughout the SKDL structure. This tight SKP control has caused considerable dissatisfaction within SKDL ranks and led to press speculation that several prominent leaders were preparing to resign. Such reports persist, but thus far dissatisfaction has been kept from erupting by the relatively rigid discipline which has been maintained through the example of a core of die-hard Communists.

In contrast to the Communist parties in the neighboring Scandinavian countries, the wave of de-Stalinization had appeared to have relatively little impact on either the leadership or the rank and file of the SKP and the SKDL. However, the defeat of SKP chairman Aaltonen--a Stalinist and veteran of 36 years of SKP activity--in last month's parliamentary elections suggests that he may not have received the normal support of his party and that ferment may be developing within the SKP.

Labor

In their ambitious educational and organizational activities, the Finnish Communists concentrate on two groups: the labor element in the urban areas and the marginal farmers of northern and northeastern Finland. These farmers have been described as "backwoods Communists"--their support of the left radical parties is largely a protest against the retarded economic and social conditions in those remote areas.

The SKP has always regarded domination of organized labor as an important means of achieving political power. In the early postwar years the Social Democrats were able to maintain firm control of the Central Confederation of Labor (SAK), although the Communists were a strong minority in this organization as they had been in its predecessor. In recent years, dissension among the Social Democrats in both the political and trade union fields

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has helped the Communists to strengthen their grip on organized labor. In a repetition of the events three decades before, the moderate Social Democrats have formed another rival trade union organization and have left control of SAK in the hands of a left-wing Social Democratic splinter group supported by the Communists.

The Communists controlled some 35-40 percent of SAK's members prior to the withdrawal of some of the moderates, and continued withdrawals will lead ultimately to outright Communist control of SAK and its policies. The Communists could probably assume complete control now, but so far they have chosen to let the reins of power rest nominally in the hands of the splinter Social Democratic faction.

Training

The educational and indoctrinational training of the SKP is carried out at several levels starting with independent study circles under the guidance of local Communists. Between 100 and 150 are conducted each year. Above these are approximately 15 Communist district schools, open only to SKP members. These schools conduct middle-level courses of a theoretical nature, including dialectical and historical materialism, economics, trade union activity, and the history of the Communist party of the Soviet Union (CPSU).

The next level of training school is the so-called Sirola Institute, whose students are also chosen from party ranks. The courses run the gamut of Communist indoctrinational fields, with emphasis on exhaustive study of Marxist theory and practice, agitation, organization, and the study of the Russian language so as to enable students to qualify for study in the Soviet Union. Courses run from three months to two years. From 1947 through 1958 the institute enrolled some 500 full-time students.

The highest step in party schools in Finland is the SKP central committee Central School. This school is mandatory for all high-ranking party workers, and its teaching staff includes the SKP's leaders. It meets several times weekly throughout the year.

At the apex of the training system are these schools and other training institutions in the USSR and the bloc--particularly the CPSU's Higher Party School. To these are sent the most promising students, who are given intensive course in ideology and tactics. In addition, approximately 35 Finnish students, mainly SKP members, studied under scholarships at Moscow University in 1960, and a score or two of Finns, mostly Sirola Institute graduates, were undergoing special short-term training in the USSR.

Paid Party Workers

For their organizational and educational programs, the SKP and the SKDL maintain some 250 paid functionaries on the district level of all party organizations, outnumbering the combined effort of all the other Finnish parties. In Turku--Finland's third largest city, with a population of approximately 125,000--the two parties maintain 50 paid functionaries; the Social Democrats have but five.

The SKP--and probably the SKDL as well--derives the financial resources for these extensive programs from both domestic and foreign sources. An important local source is the income earned from the operations of formerly German-owned firms transferred to Soviet ownership following World War II. While most of these firms subsequently were either purchased by Finnish interests or dissolved, approximately ten are wholly or partly owned by the Soviet Union and directed either by Soviet nationals resident in Finland or SKP functionaries. Among the most profitable, and apparently a major source of revenue

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for the SKP, are those which act as agents for bloc automobile and POL imports. In addition to this income, estimated at more than one million dollars yearly, the SKP last year received between \$1,400,000 and \$2,000,000 from Communist sources abroad--principally the Soviet Union.

The SKP's Foreign Relations

From its inception in 1918 the SKP has maintained close ties with the CPSU, in part because of Finland's geographic proximity to the original center of revolutionary activity in the tsarist capital of St. Petersburg. In addition, all the SKP leaders have, at one time or another, resided in the USSR, whence they directed the activities of the party. Of these old-guard Red Finns, the only known survivor is Otto Kuusinen, who in the early 1920s became a Soviet citizen and has since become both a full member of the CPSU presidium and a party secretary. From these positions, Kuusinen assists M. A. Suslov in overseeing the CPSU's relations with the various foreign parties.

While Kuusinen does not appear primarily concerned with the activities of the SKP and the Scandinavian parties generally, he would naturally retain some interest in developments in this area, in view of his daughter Hertta's prominent role in the party. She received much of her education in the Soviet Union and is one of the top four or five SKP leaders. Her present position is that of chairman of the party's parliamentary group.

The SKP, which in terms of size and influence on the local political scene outshines the Communist parties in the neighboring Scandinavian countries, often seeks to play a leading role in Northern Europe. There is also some evidence that it has been used to transmit directives from the CPSU to the

Scandinavian parties. Members of these parties on occasion have also taken courses at the SKP's higher institutions for cadre training, such as the Sirola Institute. Since Swedish is an official language of Finland, the SKP would be in a special position to provide training and instruction for members of these sister parties at its more extensive training facilities.

The SKP, like the other Scandinavian Communist parties, also appears to have close contacts with the East German Socialist Unity (Communist) party, but this may derive principally from the desire of the East German regime to further its own political objectives in these countries, which it regards as vulnerable to pressure for political recognition.

Capabilities and Prospects

Although rarely mentioned by Finnish politicians, a factor determining the SKP's future role is the Soviet Union itself. If Moscow at some future date should make known that it required Communist participation in the government as evidence of Finland's sincere desire to maintain good relations with the USSR, the government, faced with the present political balance, could hardly resist.

Aided by this external factor, the Communists will retain a strong position on the Finnish political scene. There is little likelihood, however, that the SKDL will gain formal cabinet representation in the immediate future, but the possibility cannot be ruled out that individual party members will serve as "labor" representatives.

The Communists probably will continue to regard the penetration and subversion of the fragmented trade union movement as offering the best prospects for influencing political and economic developments in Finland. 25X1

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SOUTHERN RHODESIA

Of the territories in Africa which have been British colonial possessions, four--Kenya, Northern and Southern Rhodesia, and South Africa--have a settled European minority which has a long history of control over political and economic life. Kenya and Northern Rhodesia are well on the way toward African-controlled governments; whereas South Africa, with the largest white population and the best developed economy, is steadily becoming more authoritarian as the Europeans try to maintain their hegemony.

Only in Southern Rhodesia is the near-term outlook unclear. Here Prime Minister Whitehead and his associates, in an effort to hold as much of the European position as possible, are trying to persuade the whites to bring the Africans over to their side by adopting substantial social, economic, and political reforms.

Background

Southern Rhodesia's Europeans, who number 221,000, have controlled their own internal affairs since 1923, although London retains at least a theoretical right to legislate for the colony. By contrast, South Africa, with a white population in 1961 of 3,000,000, achieved self-government in 1910 and became a fully independent dominion under the 1931 Statute of Westminster. Kenya and Northern Rhodesia, whose whites number in the tens of thousands, remain under London's tutelage.

Since 1953, Southern Rhodesia has been associated with the protectorates of Northern Rhodesia and Nyasaland in the Federation of Rhodesia and Nyasaland. The Federation was set up because whites in both Britain and the territories believed that association would stimulate economic growth and make the area viable. In addition, and no less important, Rhodesian whites hoped that the Federation would halt the southward spread of African nationalism and that Britain could be persuaded to give the Federation the full independence it had denied Southern Rhodesia.

The racial policy devised by the Federation's leaders to blunt the spread of African nationalism is "partnership of the responsible members of all races," a policy which most whites have tended to regard as sanctioning continued European supremacy. Africans, particularly in the two northern territories, have rejected both the partnership idea and the European-dominated Federation and since 1953 have been waging an occasionally violent campaign against them. As a result of African pressure, there now is an African-dominated government in Nyasaland, and with recent constitutional developments, Northern Rhodesia is headed in the same direction. Thus in all the territories except Southern Rhodesia the partnership idea--and perhaps the Federation as well--is almost a dead letter.

"Build a Nation"

Whitehead took over the prime ministership in Southern

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Rhodesia in 1958, after the governing United Federal party (UFP) had rejected the leadership of his predecessor, the relatively liberal Garfield Todd. Nearly blind and deaf and an economist rather than a politician by training, Whitehead seemed for a long time to underestimate the strength of the African opposition--a strength which has to be measured by the appeal of African nationalism to the colony's 2,900,000 blacks, rather than by the inept performances of the various nationalist parties. The African disturbances which began in 1959, coupled with prods from Britain and from Whitehead's more liberal European supporters, served to alter his outlook. For more than a year he has been leading the UFP in a campaign to "build a nation" of all the colony's inhabitants by revising the legal and social bases of Southern Rhodesian racial discrimination.

The "build-a-nation" campaign has already had some effect. Most of the major hotels in the large cities have been desegregated; Africans now are permitted to buy liquor without a special permit; the pass laws restricting African movement and employment have been repealed; and African trade unions are gradually winning a place on the labor scene. More important, Whitehead has shown some sensitiveness to the two central issues of African discontent; land tenure and political representation.

Land Legislation

The African population is growing at a rate of about 3 percent a year, and land in the rural native reserves can no longer support it under the present system of subsistence

agriculture. Africans who leave the reserves, however, usually find that the money economy, which has been stagnant since the political troubles began, has no jobs for them. Land hunger thus is indirectly an element in the economic unrest which has plagued the urban areas and which has been used by the African nationalists for their own purposes.

Land tenure in the colony is based on an act passed in 1930 which, in addition to setting aside 54 percent of the land for Europeans, prevented Africans from acquiring freehold title outside the native reserves. Whitehead's government is committed to the repeal of this act, and some of its provisions have already been modified. Africans now can have freehold in certain areas, the amount of rural African land has been increased somewhat, and parts of the colony have been opened to development by any race. By replacing the existing system of land apportionment with one which offers more benefits to the Africans, Whitehead obviously hopes to keep some of the surplus African population out of the cities and simultaneously to blunt the effectiveness of African nationalists, whose main appeal in the rural areas has been on the land issue.

The success of these efforts will depend not so much on the actual provisions of the reform legislation as on the financial arrangements which back them up. Few rural Africans could buy a farm if the land were available, and any significant amount of advanced training and equipment is far out of their reach. If the land reforms are to succeed, large quantities of money and

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services will have to be made available at low rates, presumably by the government. If at the same time the Southern Rhodesian economy were suffering from the effects of a break-up of the Federation, such funds might not be available.

The New Construction

Ultimately the "build-a-nation" appeal will stand or fall on its success in satisfying the Africans' political aspirations. The Southern Rhodesian legislature now has no African members, and as recently as two years ago African participation would have been unthinkable. In a referendum last July, however, Whitehead secured the approval of the largely white electorate for a new constitution under which at least 15 Africans will enter the 65-member legislature after elections in October. Whitehead, it is true, sold the constitution to his followers largely on the ground that this would be the last concession to the Africans "for a long time"; his position was also buttressed by Britain's agreement to weaken still further the cloudy "reserve power" it holds over Southern Rhodesian legislation. Nevertheless, the constitution does represent a substantial change in the racial attitude of the colony's Europeans.

Precisely because they fear the constitution will condemn them to a permanent minority status, most Southern Rhodesian Africans have rejected it, although some moderate African nationalists apparently still hope to persuade their associates to participate in the elections next fall. A measure of the strength of African opposition is the fact that despite strenuous UFP efforts to get 50,000 Africans on the voting rolls, registered Africans number only about 7,000.

The African Nationalists

Riding the wave of African opposition and at the same time stimulating it is Joshua Nkomo's Zimbabwe African National Union (ZAPU). ZAPU, which had been known as the National Democratic party (NDP) until it was banned under that name last December, has been far less effective than its counterparts in Nyasaland and Northern Rhodesia, partly out of lack of ability on the part of its leadership and partly because Whitehead's government subjects it to considerable harassment. Nkomo actually agreed to the new constitution at a conference in London in February 1961, only to discover on his return to Southern Rhodesia that he could not sell it to the radicals in the party. Since then the radical influence has been steadily increasing, and many party members feel that "action"--including violence if necessary--if the only way to break the European hold.

The radical activity has been reflected in a steady series of demonstrations and occasional riots over the past few months and in an attempt to take over the ICFTU-affiliated African trade union movement, which so far has been apolitical. The government's ban on the NDP temporarily put a damper on nationalist activity, but ZAPU is gradually re-establishing the organization. When the party leaders feel they have enough strength, they can be expected to return to activism. They will be met by a government armed with stringent legislation which the new constitution did not change. Whitehead has always said that the "extremists" in ZAPU were outside the pale of the "build-a-nation" program.

The Federation Issue

To a large extent, the question of the future of the

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Federation is peripheral in Southern Rhodesian politics--this despite the fact that the Federation's breakup would be a heavy setback to the colony's economy. Africans in Southern Rhodesia, unlike those in the north, tend to ignore the question; their dispute is not with Federal Prime Minister Welensky but with Whitehead. The whites, with Africans dominant in Nyasaland and a black majority apparently imminent in Northern Rhodesia, are increasingly apprehensive of the federal ties, and many of them appear willing to suffer the economic consequences of dissolution. A few would even be willing to have the colony join the Republic of South Africa; given the strong attachment to British culture on the part of most of the white population and the Verwoerd government's suspicion of everything British, however, such an accommodation probably could take place only under severe African pressure.

Even though the UFP is committed to preserving the Federation, Whitehead himself is only a lukewarm supporter of the idea. The "build-a-nation" campaign implicitly ignores the federal ties

Nevertheless, he has found himself dragged into the controversy by the ebullient Welensky, who has called Federation-wide elections for 27 April on the issue.

Welensky apparently is relying on his great personal popularity among the whites to give him a victory which he can in-

terpret as a reaffirmation of support for his pro-Federation policy. All but the UFP and one other party in the Federation are boycotting the elections, however, and his victory is likely to be a hollow one. Welensky's call for federal elections, which is widely regarded as a blunder, may also damage the prestige of Whitehead and the Southern Rhodesian UFP and jeopardize their chances of winning the colony-wide elections next fall. In any event, few Southern Rhodesians will fight very hard to maintain the Federation at the reconvened constitutional talks, which probably will open in the next few months.

Outlook

The "build-a-nation" campaign is essentially an effort to make the partnership policy a reality after it has failed in Northern Rhodesia and Nyasaland. It still is basically paternalistic and seems likely to be rejected by most Africans for that reason. Moreover, there is considerable question about the extent to which Whitehead has moved the bulk of the white population out of its conservatism. The campaign's effectiveness seems likely to be vitiated further by the stagnation in the economy--a stagnation which could turn into a decline if the Federation collapsed.

Even with these reservations, however, Whitehead's efforts represent an effort to bridge the gap between the races. It seems likely to fail in the long run, but in the process it may make the gap narrower and lessen the degree of violence with which the political struggle is conducted.

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